BRITISH COLUMBIA
FAMILY MAINTENANCE ENFORCEMENT PROGRAM

MAKING A DIFFERENCE

IN THE LIVES OF CHILDREN AND FAMILIES

FOR 25 YEARS

November 30, 2014

2013 – 2014 Annual Report

BRITISH COLUMBIA

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FOREWORD

MAKING A DIFFERENCE FOR 25 YEARS

Some things change a great deal over the course of a few years, much less a few decades. For the Family Maintenance Enforcement Program (FMEP), the changes that have occurred over the past 25 years have been profound.

As this year's annual report shows, what was once a small but important service is now a large, important service that thousands of families rely upon each month. The 2013/14 fiscal year saw new heights, with over $208 million dollars in support paid during the year.

Other volumes have expanded exponentially. Administrative enforcement actions – such as attachments on wages – have increased from a few dozen each day to over 160,000 in place at any given time. Telephone call volumes increased steadily and remain strong. Web services have had a significant impact, opening up a new era in customer service and expanded communication. The office is never really closed, with clients having the ability to give and get information at a time that works for their schedule.

The FMEP outcomes are perhaps best illustrated by the number of payments processed. Twenty-five years ago the program received $500,000 in payments in one month. Today that amount is processed in an average working day and sent to families in BC and elsewhere.

What has not changed is the impact that our services have on individual families that receive payments through the FMEP. Children are better fed, better housed, better clothed and have better opportunities to succeed because they receive the support to which they are entitled through the FMEP. For children in their later teens and beyond, this financial support can provide the opportunity to continue their education through college, university or specialized training, a path that might otherwise not be available to them. This support is providing better opportunities for young people, strengthening their future and our communities in the process.

While it can be useful to reflect on the past, we must always be looking to the future. One of the reasons that the FMEP has been successful is because it has focused on the future, with steady improvements in all areas. That will continue in the year ahead, with new technology being used to improve communications and customer services. We are working with our federal, provincial and territorial partners to eliminate delays in obtaining support that happen too frequently when parents move across Canada or to other countries.

The FMEP's first 25 years have been remarkable. In our 14th year, total payments reached $1 billion dollars. In this, our 25th year, payments remarkably exceeded $3 billion dollars and that has made a very real difference in the lives of children and families.

Chris Beresford
Director of Maintenance Enforcement

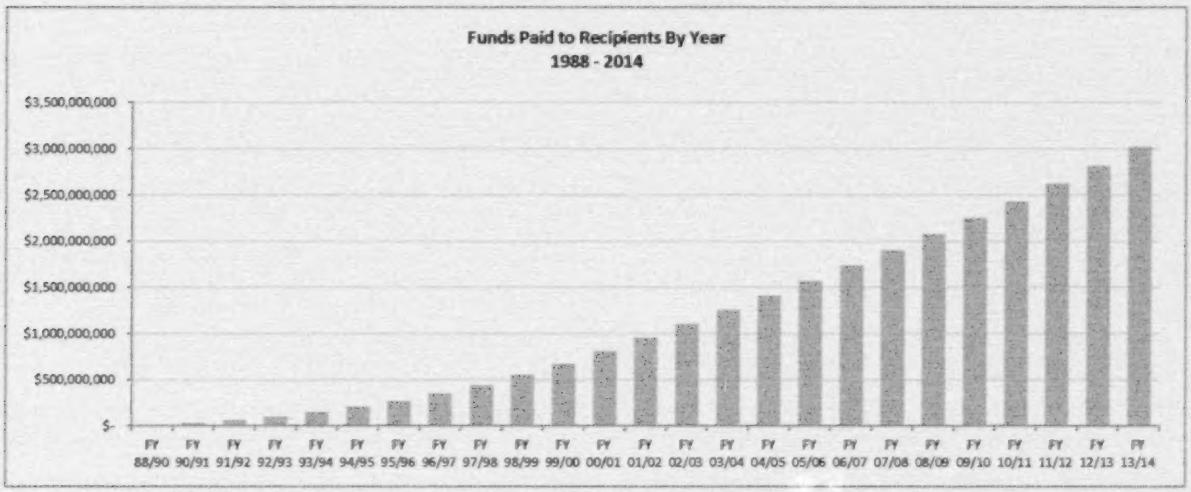
MAKING A DIFFERENCE FOR 25 YEARS

The FMEP opened its doors to the public on September 1, 1988. At the end of its first year, the FMEP had just 7,466 cases. Today the FMEP has more than 43,000 cases. Over its 25 years, the FMEP has enrolled and enforced maintenance for more than 135,000 families, collecting over $3 billion dollars for children and families.

From a collection of $500,000 per month in 1988, payments have now grown to over $500,000 per day. The growth in payments is reflected in a steady increase in compliance, from 45 percent of cases receiving payments to over 83 percent of cases receiving payments in 2013/14.

SOME HIGHLIGHTS FROM OUR 25 YEAR HISTORY:

- Since September 1, 1988 over 9.4 million individual maintenance payments have been received from paying parents and sent to British Columbia families.



"I want to thank you for your absolute professionalism, patience and understanding."

-FMEP Payor

- The FMEP always works with parents to encourage voluntary payment. When that does not work the FMEP will initiate administrative collection efforts. Since 1988, over 2.2 million enforcement actions have been taken to ensure that maintenance obligations are met.

- 25 years ago the FMEP issued an average of 40 Notices of Attachment (garnishments against sources of income or assets) per month. In 2013/14 the FMEP issued an average of 700 garnishments per month just for wages, with hundreds more each month attaching bank accounts, tax refunds and other sources of funds.

- A few cases have been enrolled with the FMEP since its inception. The longest case enrolled in the FMEP has been enrolled for over 9,400 days and is paid in full each month.

- Working with other levels of government has been critical to the success of the FMEP. The Federal Government intercepts federal benefits including income tax refunds, employment insurance, GST and other types of federal payments. Since 1988, the FMEP has issued over 193,000 federal interceptions, and recovered over $19 million dollars from these sources in 2013/14.

- Our caseload includes many families that live outside British Columbia. This out-of-province caseload has grown steadily from 963 files in 1988 to over 8,800 cases in 2013/14.

- Total collections on all cases reached one million dollars by May 19, 1989, one hundred million dollars by April 13, 1993 and one billion dollars by May 29, 2002. Total collections since the FMEP opened its doors now exceed three billion dollars.

"I want to thank you so much for the service you provide to families such as ours. Your intervention has made such a wonderful and significant difference in my children's and my life."

-FMEP Recipient

Highlights of the 2013-2014 Year

- A total of just over $208.5 million dollars was collected and distributed by the FMEP in 2013/14.
- Total collections of maintenance increased by $11.7 million dollars from 2012/13 – an increase of almost six percent. This was the 25th consecutive year that FMEP collections increased year over year.
- The FMEP provided support for over 62,000 children in 2013/14. More than half of these children are aged 14 or older, and one quarter of children are 19 years of age or older.
- 42,986 families were enrolled with the FMEP as of March 31, 2014. Of those, 23,863 families have never been on income assistance, 12,264 families were previously on income assistance but are now self-supporting, and 6,086 families are currently in receipt of income assistance.
- Overall the caseload declined by just under two percent. Cases enrolled by the Ministry of Social Development and Social Innovation (cases assigned to the Ministry because the recipient is receiving income assistance) declined again for the third consecutive year, a net loss of just over 500 cases or 7.6 percent. These cases combined with the reduction in government fee only cases, account for the majority of the overall decline in caseload.
- The FMEP collected $61.7 million dollars for families who are or have been in receipt of income assistance in 2013/14. This represented almost 30 percent of all funds collected and distributed.
- Many, many payors continue to pay their support voluntarily or have worked out a repayment arrangement with FMEP Enforcement staff. In 2013/14 almost $80.6 million dollars was received from voluntary electronic payments from support payors. This amount is 39 percent of all funds received.

"Thank you so much FMEP for all the years of help. I can never thank you enough."

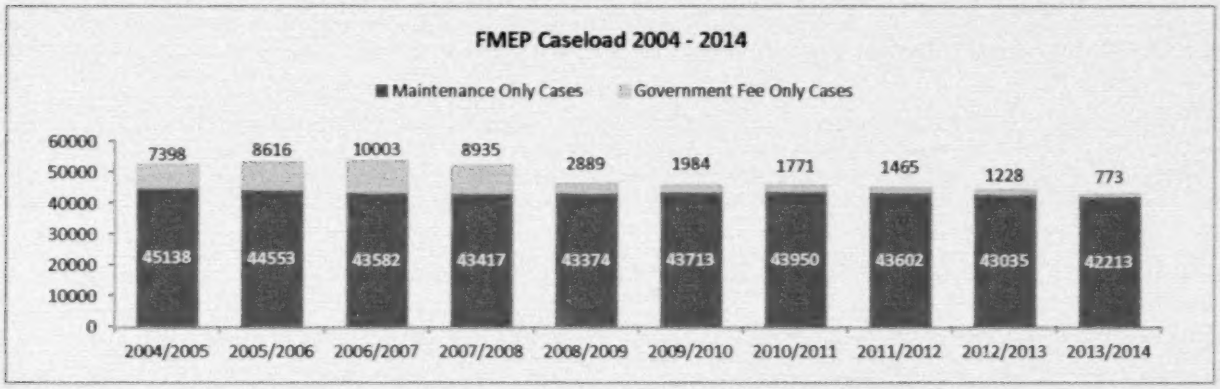
-FMEP Recipient

FMEP CASES

This section provides an overview of the FMEP caseload – the number of cases enrolled where those cases are located, and a breakdown of the cases by type (whether the cases involve parents who receive income assistance, parents who reside outside British Columbia and whether the cases are government fee only cases).

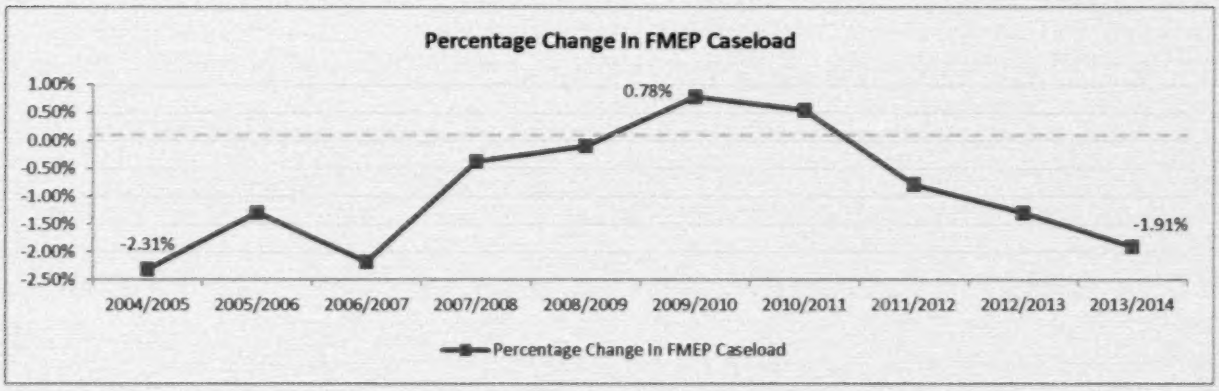
OVERVIEW

The FMEP caseload has been relatively stable for many years – the primary reduction in the last decade has been related to government fee cases. However, over the past three years, the number of cases enrolled by the Ministry of Social Development and Social Innovation has declined significantly. This past year saw the largest percentage drop in that specific category of cases. The assigned caseload decreased by 7.6 percent.



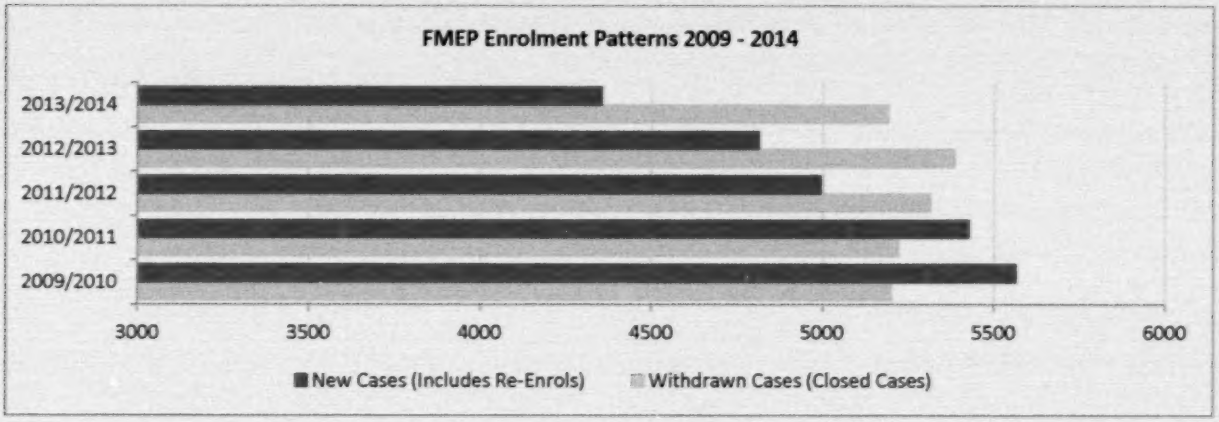
FAMILY SUPPORT ENFORCEMENT CASES

While the overall caseload has been in the 43,000-46,000 range for the past 10 years, there have been changes in the makeup of the caseload. The rate of change last year was a decline of just under two percent. The FMEP ended the 2013/14 year with 42,213 support enforcement cases.



There continues to be a reasonable amount of turnover in the caseload. Each year a significant number of cases withdraw from the program, and new cases enrol or re-enrol. For the completed fiscal year the FMEP enrolled and re-enrolled 4,356 cases and withdrew 5,191 cases.

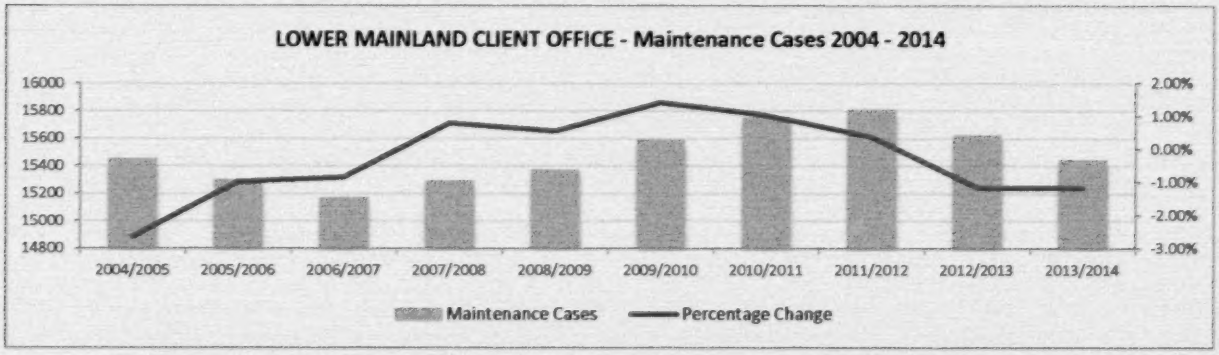
The chart below shows the pattern for the past five completed years. This was the third consecutive year where the number of withdrawn cases exceeded the number of new and re-enrolled cases.



GEOGRAPHIC DISTRIBUTION OF CASES

The FMEP operates out of three regional offices. Generally cases are managed in the office that is closest to the Court where the maintenance order or agreement is filed.

The Lower Mainland Client Office serves the population of the Greater Vancouver and the Fraser Valley. 56 staff provide service to just under 15,500 families. The total caseload in the Lower Mainland Client Office has been relatively static for the past decade, with an annualized change of just -0.01 percent. This was the second consecutive year that the caseload declined slightly.

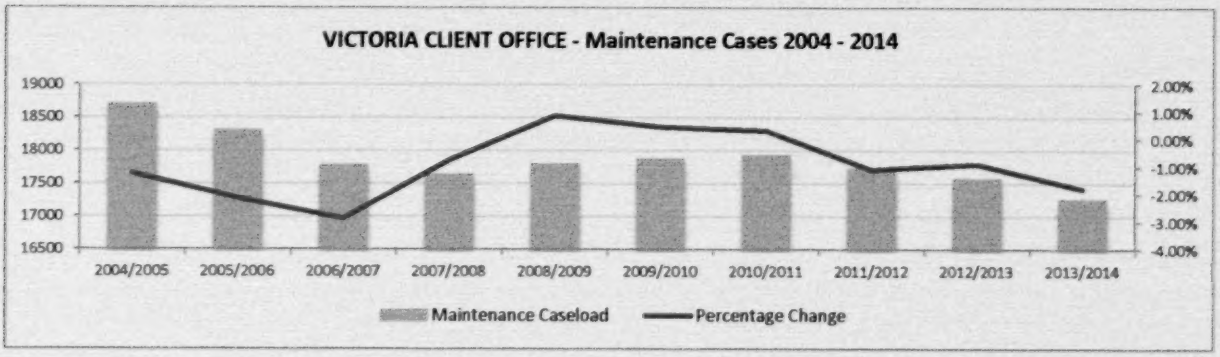


The principal reduction in the caseload in the Lower Mainland occurred on the assigned caseload. The assigned caseload dropped by 7 percent last year, in contrast to the non-assigned caseload that saw a decrease of one case. The overall numbers can be seen in the above chart.

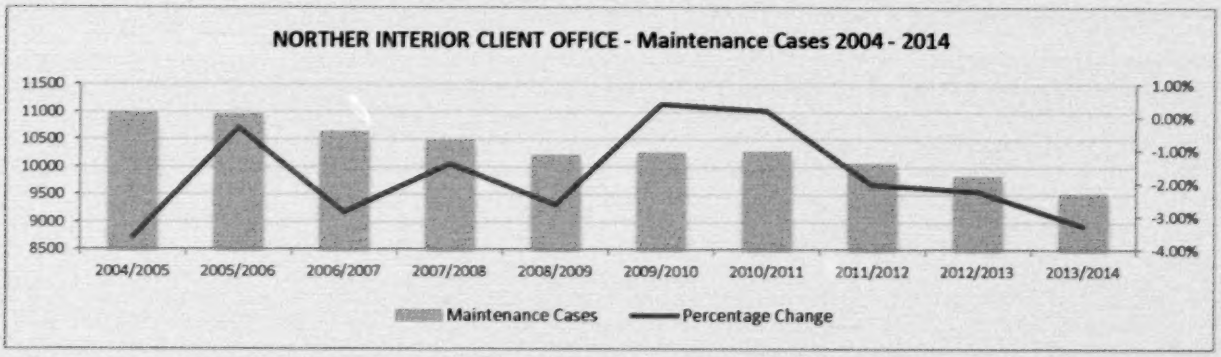
The Victoria Regional Client Office is the largest office in the FMEP. The office manages both in-BC cases and cases where one parent lives outside BC (interjurisdictional cases). The Victoria office handles the largest

number of cases in the FMEP and at the end of 2013/14 the office was managing 17,258 support enforcement cases. This represented a slight decline of (1.8 percent) from the previous year, and was the third consecutive yearly decline in the Victoria caseload.

Similar to the Lower Mainland Client Office, the largest decline in caseload in the Victoria office was in the assigned caseload which saw a reduction of over 7 percent. The non-assigned caseload declined in Victoria by just under one percent. The overall numbers can be seen in the chart below.



The Northern Interior Client Office serves the areas north of the Lower Mainland and in the interior of the Province. The chart below shows the overall caseload trends for the past decade.



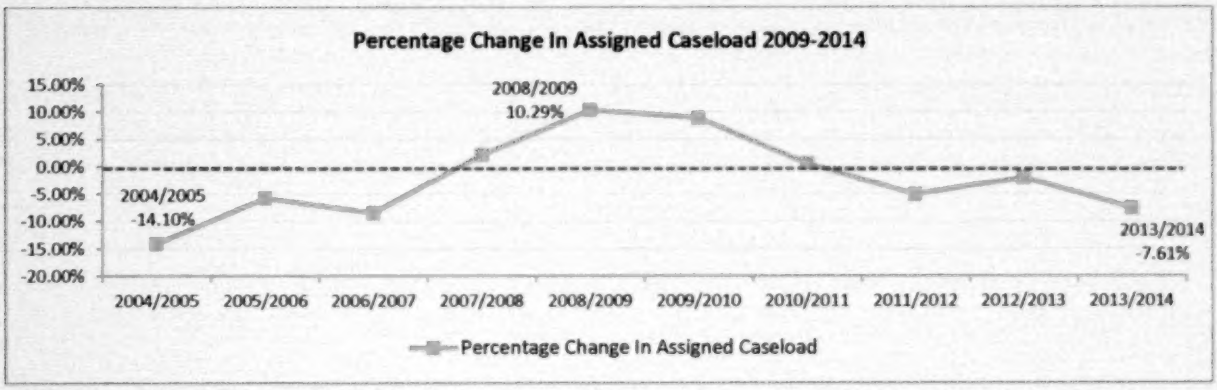
The overall caseload in the Northern and Interior Office has declined in eight of the past ten years leading to an annualized loss of -1.4 percent since 2004. As with the other offices, the largest change occurred on the assigned caseload which declined by 9.6 percent; the non-assigned caseload declined by just over 2 percent. These two caseloads combined resulted in an overall decline of 3.3 percent for 2013/14. Caseload size and trends for the past ten years are shown in the chart above.

ASSIGNED CASELOAD

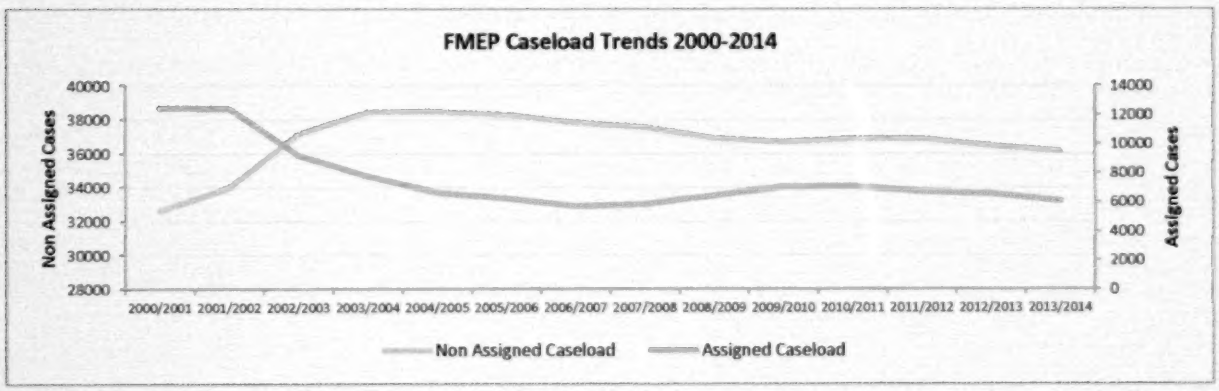
Assigned cases are those cases where the maintenance recipient is in receipt of income assistance from the Ministry of Social Development and Social Innovation. These cases differ from other FMEP cases as a recipient who receives income assistance must enrol his or her maintenance order with the FMEP, as a condition of receiving income assistance. Enrolment in the FMEP by all other maintenance recipients is voluntary.

During the past decade, the assigned caseload saw a small increase during the recession years between 2007 and 2010, however after this period, the caseload continued to contract resulting in a net loss of just less than one percent per year each year since 2009.

During this past year, the assigned caseload numbers dropped more quickly, by over 7.6 percent, with a reduction of more than 500 cases. These trends are shown below in the accompanying chart.

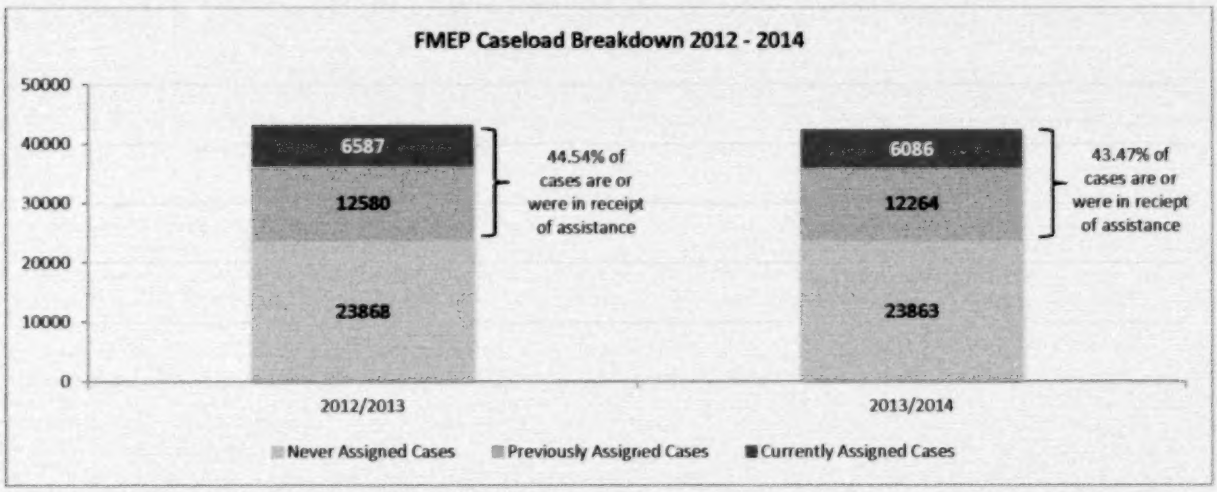


Although a case enrolled with the FMEP may cease to be an assigned case, because the maintenance recipient is no longer receiving social assistance, many of those recipients choose to remain enrolled in the FMEP in order to have the maintenance collection continue. The transition of clients from the assigned caseload to the non-assigned caseload can be seen in the chart below.



PREVIOUSLY ASSIGNED CASELOAD

Cases that have transition from assigned (in receipt of income assistance) to non-assigned are classified as previously assigned cases. They make up a significant share of the overall FMEP caseload, accounting for 44 percent. The breakdown of the previously assigned caseload can be seen in the graph below.



***Assigned Cases*:** Cases where the recipient is currently in receipt of income assistance.
***Never Assigned Cases*:** Cases where the recipient has never been in receipt of income assistance.
***Previously Assigned Cases*:** Cases where the recipient was in receipt of income assistance at some point but is not currently receiving assistance.

RECIPROCAL CASES

Reciprocal cases are maintenance cases in which either the support recipient or the support payor resides outside of British Columbia. These cases make up a significant portion of the overall FMEP caseload. Almost 21 percent of maintenance cases involve a parent living outside of the province. The FMEP has reciprocal agreements with other maintenance enforcement programs in Canada and around the world. These agreements help ensure that children and families receive support no matter where they live.

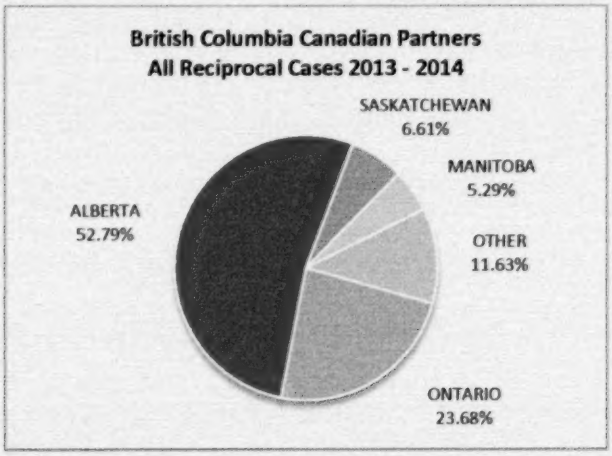
The majority of reciprocal cases enrolled in the FMEP are cases where one parent resides in British Columbia and the other parent resides in another province or territory in Canada. Cases involving the United States are fewer in number and international cases (non-U.S.) are a very small portion of the out-of-province caseload. 88.3 percent of the reciprocal caseload involves a parent in another province or territory in Canada, 9.5 percent of the reciprocal cases involve the United States and 2.2 percent of the cases involve a country outside of Canada or the United States.

"I am very proud to have this service for so many years in supporting my family in our difficult times, and may not have succeeded in the past if not for your support"
-FMEP Recipient

Not surprisingly, the FMEP's largest partners for support enforcement in Canada and the United States are jurisdictions which are geographically close to British Columbia. In Canada, the western provinces of Alberta, Saskatchewan and Manitoba make up 64.7 percent of the Canadian reciprocal caseload, and the Pacific border states of Washington State, Oregon, California, Alaska and Hawaii make up more than one half (52.3 percent) of all shared cases with the United States.

Canadian Caseload

Cases where one parent lives in a province or territory outside of British Columbia are made up primarily of cases where the other parent lives in western Canada. As the chart below shows, almost 53 percent of cases in the Canadian reciprocal caseload have one parent living in British Columbia and one parent living in Alberta.



The individual breakdown of number of reciprocal cases is shown in the table below. Alberta has the most cases with 4,111 enrolled with the BC FMEP as of March 31, 2014.

Canadian Caseload By Province 2013 - 2014 (all cases)			
Province	Cases	Province	Cases
ALBERTA	4,111	NUNAVUT	9
MANITOBA	412	ONTARIO	1,844
NEW BRUNSWICK	110	PRINCE EDWARD ISLAND	26
NEWFOUNDLAND	134	QUEBEC	216
NOVA SCOTIA	247	SASKATCHEWAN	515
NORTHWEST TERRITORIES	63	YUKON	101

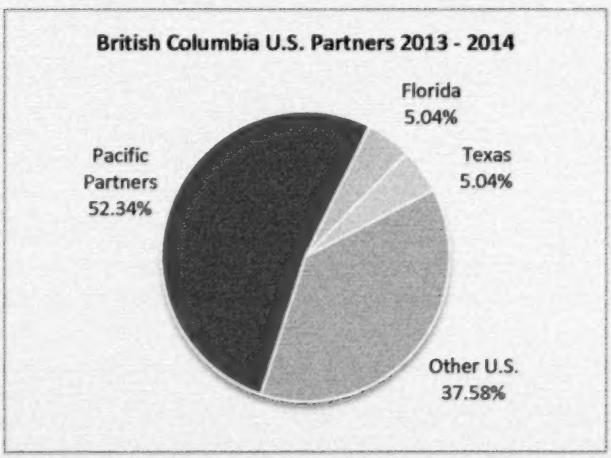
International Caseload – United States

The United States is the FMEP's largest single international partner. At the end of 2013/14 the FMEP had 834 cases where one of the parents lived in the United States. This figure is down slightly (20 cases) from the previous year. The table below shows the number of cases enrolled with the FMEP and the corresponding U.S. State.

United States Caseload By State 2013 - 2014 (all cases)					
State	# Cases	State	# Cases	State	# Cases
ALABAMA	4	KENTUCKY	3	NORTH DAKOTA	5
ALASKA*	17	LOUISIANA	0	OHIO	13
ARIZONA	33	MAINE	3	OKLAHOMA	7
ARKANSAS	5	MARYLAND	6	OREGON*	44
CALIFORNIA*	120	MASSACHUSETTS	6	PENNSYLVANIA	10
COLORADO	12	MICHIGAN	17	RHODE ISLAND	0
CONNETICUT	4	MINNESOTA	13	SOUTH CAROLINA	5
DELAWARE	0	MISSISSIPPI	5	SOUTH DAKOTA	0
DISTRICT OF COLUMBIA	4	MISSOURI	12	TENNESSEE	6
FLORIDA	42	MONTANA	11	TEXAS	42
GEORGIA	10	NEBRASKA	2	UTAH	12
HAWAII*	12	NEVADA	14	VERMONT	0
IDAHO	14	NEW HAMPSHIRE	2	VIRGINIA	8
ILLINOIS	7	NEW JERSEY	6	WASHINGTON*	243
INDIANA	8	NEW MEXICO	3	WEST VIRGINIA	1
IOWA	2	NEW YORK	25	WISCONSIN	1
KANSAS	6	NORTH CAROLINA	4	WYOMING	4

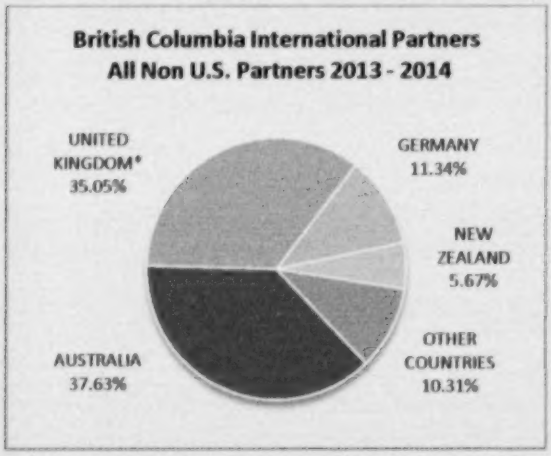
*Pacific Partner

As noted before, the majority of cases in the United States involve jurisdictions that are geographically close to British Columbia. More than 52 percent of cases come from just five U.S. States, Alaska, California, Hawaii, Oregon and Washington State. Washington State is the FMEP's largest single partner, accounting for 29 percent of all United States cases, while California accounts for 14 percent of US cases. Florida and Texas each have about 5 percent of the United States caseload.



International Caseload – Other Countries

Comprising only 2.2 percent of the reciprocal caseload, these are cases where one parent lives outside of Canada or the United States. The total case count and break down are shown the chart and table below.



INTERNATIONAL CASELOAD 2013-2014 (Non U.S.)			
COUNTRY	CASES	COUNTRY	CASES
AUSTRALIA	73	HONG KONG	6
AUSTRIA	3	NEW ZEALAND	11
CZECH REPUBLIC	4	NORWAY	1
GERMANY	22	SLOVAKIA	2
FIJI	1	SOUTH AFRICA	2
UNITED KINGDOM*	68	SWITZERLAND	1

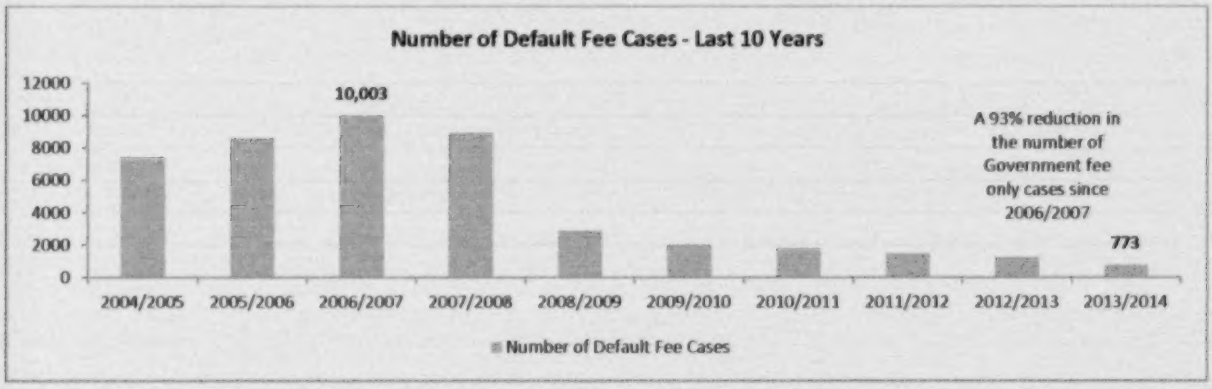
*United Kingdom – includes cases from Northern Ireland, Scotland, Britain and Wales

Interestingly, the majority of cases (80 percent) are from Commonwealth jurisdictions. The United Kingdom, Australia, New Zealand, South Africa and Fiji make up the majority of the cases. The United Kingdom and Australia alone account for almost 73 percent of the international (non-US) caseload.

GOVERNMENT FEE CASES

Government fee only cases are those cases where the FMEP is only collecting a fee owed to the government of British Columbia. The fee is collected after all maintenance owing to the recipient has been paid; this includes unpaid support and interest.

The number of fee only cases is very small – less than 2 percent of the overall FMEP caseload. This caseload has declined significantly due to collection efforts as well as to recent legislative changes barring the collection of fees that are more than six years old. The caseload decline over the past ten years is shown in the chart below.

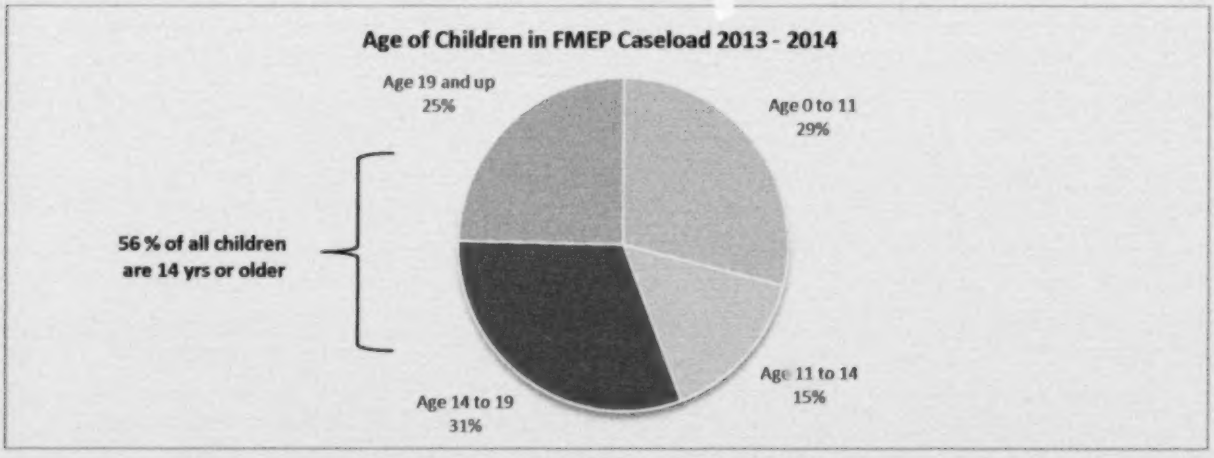


FMEP CLIENTS

The section provides information about the client and children that make up the families that are served by the FMEP.

CHILDREN

The FMEP continues to be a program that helps families who have older children. As the chart below indicates, more than half of the children receiving maintenance through the FMEP are more than 14 years old.



A comparison of the number of children by age group on cases enrolled with the FMEP, with data reflecting the total number of children in that age group in British Columbia reveals that the FMEP provides support to between 5 and 6 percent of all BC children in all of the age groups between ages 10 and age 19. Expressed differently, one in 20 children between age 10 and 19 in BC is receiving child support through the FMEP.

PERCENTAGE OF BRITISH COLUMBIA CHILDREN ENROLLED IN THE FMEP 2013-2014

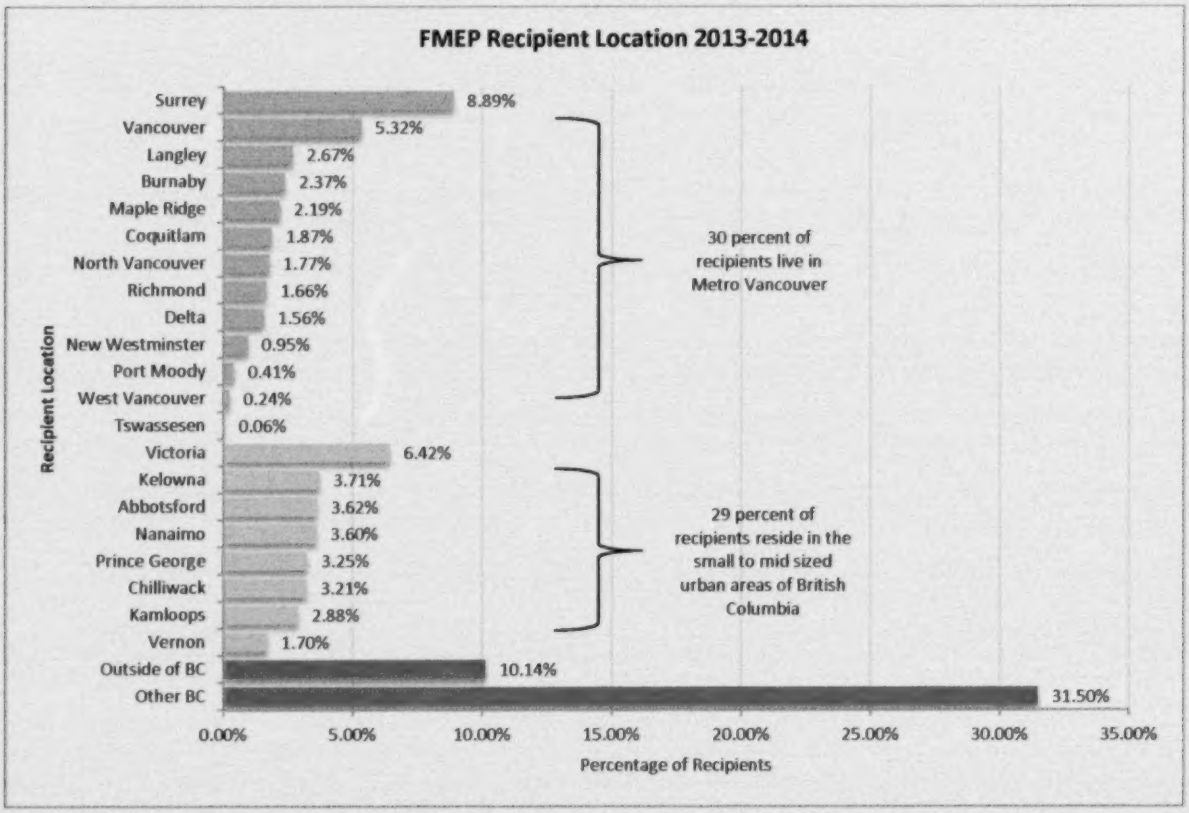
2013	BC Census Data	FMEP Enrolment Figures	Percentage of Children Enrolled in FMEP	2013	BC Census Data	FMEP Enrolment Figures	Percentage of Children Enrolled in FMEP
Child 0 - 24	1,273,357	53,135	4.17%	12 years	45,880	2,699	5.88%
0 years	43,892	39	0.09%	13 years	47,110	2,871	6.09%
1 year	43,645	251	0.58%	14 years	48,624	3,225	6.63%
2 years	43,860	565	1.29%	15 years	50,635	3,362	6.64%
3 years	44,695	846	1.89%	16 years	53,631	3,623	6.76%
4 years	45,459	1,132	2.49%	17 years	56,966	3,622	6.36%
5 years	45,656	1,438	3.15%	18 years	59,026	3,910	6.62%
6 years	45,190	1,745	3.86%	19 years	62,043	3,296	5.31%
7 years	44,505	1,898	4.26%	20 years	63,080	2,540	4.03%
8 years	44,276	2,070	4.68%	21 years	62,384	2,222	3.56%
9 years	44,724	2,183	4.88%	22 years	61,923	1,853	2.99%
10 years	45,019	2,428	5.39%	23 years	63,601	1,567	2.46%
11 years	44,954	2,504	5.57%	24 years	62,579	1,246	1.99%

Source: Statistics Canada. *Table 051-0001 - Estimates of population, by age group and sex for July 1, Canada, provinces and territories, annual (persons unless otherwise noted),* CANSIM (database). (accessed: 2014-06-23) and *FMEP Annual Report 2013 – 2014.*

RECIPIENTS

There are 40,615 recipients of maintenance enrolled in the FMEP as of March 31, 2014.

As shown in the graph below, most recipients, (59 percent), live in urban centers in British Columbia. Almost 30 percent of recipients reside in Metro Vancouver, and another 29 percent live in the small to midsized urban centers such as Victoria, Abbotsford or Kamloops. Only 31.5 percent of recipients live in small towns/villages or rural locations and just over 10 percent live outside of British Columbia.



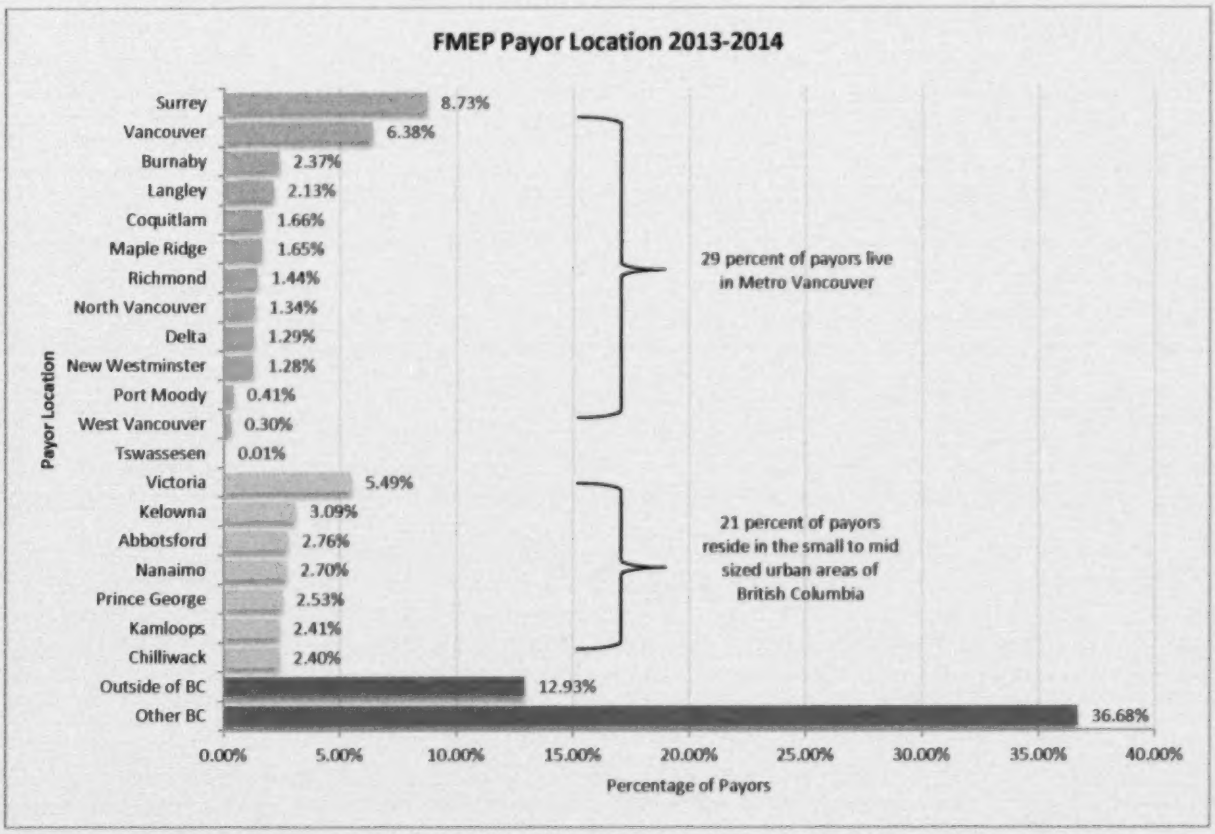
The average age of a recipient enrolled in the FMEP is 42 years of age which is not surprising considering most FMEP families include children in their teen years.

Just over 14.6 percent of recipients enrolled in the FMEP are in receipt of social assistance. Many of these clients choose to remain with the FMEP even after their assignment of maintenance rights ends. Thus, 28.6 percent of recipients are persons who have been in receipt of income assistance in the past. They remain enrolled to ensure that their payments are up to date, and that outstanding arrears continue to be collected.

PAYORS

There were 40,283 payors enrolled in the FMEP as of March 31, 2014. This was a decline of just under 2 percent over the previous year, and is consistent with the overall decline in the FMEP caseload. 1,819 payors had more than one active enrolled case.

The chart below show a very similar pattern when compared to FMEP recipients, a significant majority of payors can be found living in the larger urban centers of British Columbia.



29 percent live in Metro Vancouver, and 21 percent live in the small to mid-sized urban areas such as Victoria, Kamloops or Abbotsford. Almost 37 percent live in smaller towns and villages throughout British Columbia, and 12.9 percent of all payors live outside the Province.

Payors are slightly older than recipients with an average age of just over 45 years.

PAYORS IN RECIEPT OF INCOME ASSISTANCE

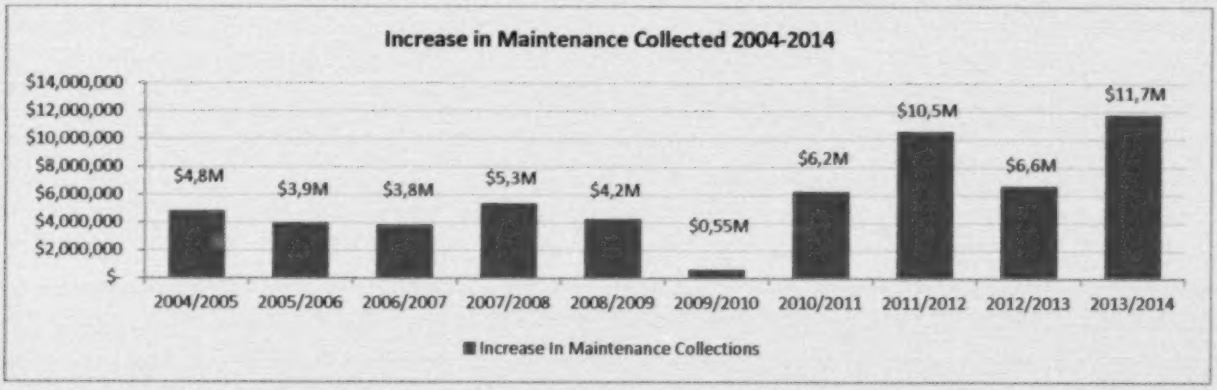
After a steady increase between 2008 and 2013, the number of payors enrolled in the FMEP who were in receipt of income assistance declined for the first time in six years. This is an important metric, since payors in receipt of income assistance are generally unable to provide ongoing support payments for their families.

Fiscal Year	Number of Payors	Percentage of Payors in BC on IA	Change From Previous Year
2009/2010	3796	9.87%	↑ 0.06%
2010/2011	4584	11.83%	↑ 1.96%
2011/2012	4718	12.31%	↑ 0.48%
2012/2013	4674	12.36%	↑ 0.05%
2013/2014	4494	12.13%	↓ 0.23%

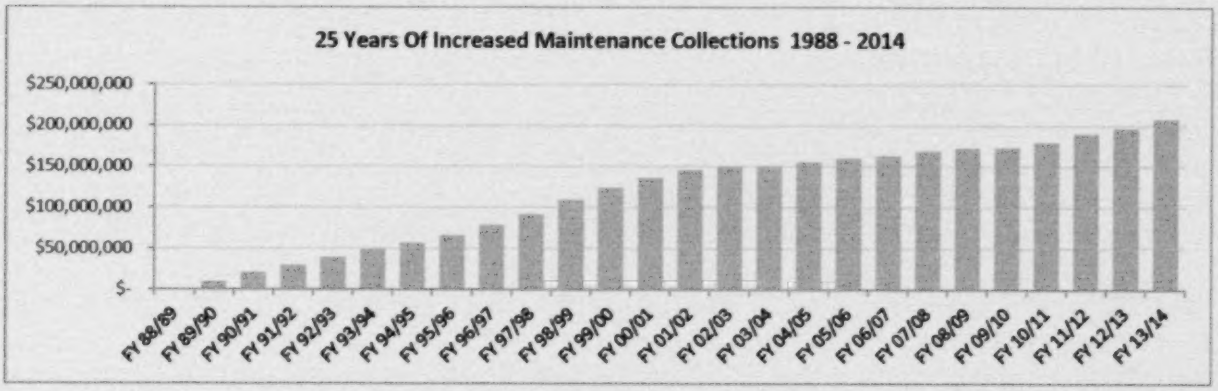
Just over 12 percent of FMEP payors living in British Columbia were in receipt of income assistance as of March 31, 2014. This was a decline of just under one quarter of a percentage point from the previous fiscal year.

FAMILY SUPPORT OUTCOMES

The FMEP saw record levels of maintenance payments in the 2013/14 fiscal year. Over $208.5 million dollars was received during the year. This was the 25th consecutive year that the FMEP exceeded the amount collected in the previous year, a truly amazing achievement. Collections were up by more than $11.7 million dollars (5.96 percent) over the 2012/13 year. The year over year increase for the past ten years is shown in the chart below.



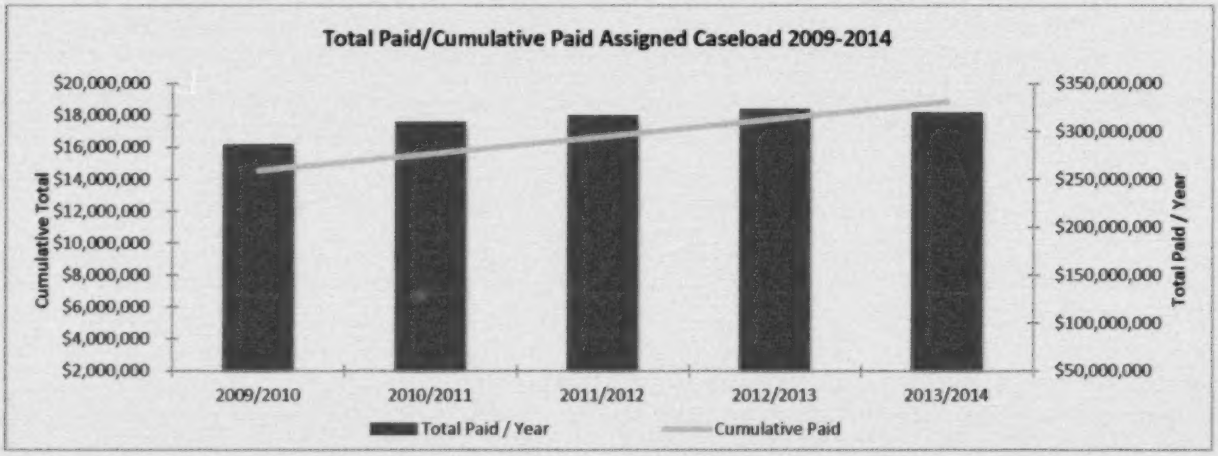
The chart below shows the amounts collected in each of those years.



COLLECTIONS ON ASSIGNED CASES

Recovery of funds for recipients who are in receipt of income assistance is critically important to help those families achieve self-sufficiency. Regular maintenance payments enable recipients to move off government assistance, as the payments provide a much needed supplement to employment earnings. In addition, payments received by recipients while on income assistance offset income assistance payments, reducing government expenditures.

The amount collected in 2013/14 for assigned cases dropped slightly, by one percent, despite a general increase in compliance on these cases. The payment drop was directly attributable to the reduction in the assigned caseload. The graph below shows the past five fiscal years, and the overall collection for clients in receipt of income assistance now exceeds $330 million dollars.



INTEREST

Since 1997 British Columbia has charged and collected interest on outstanding arrears. This is done to ensure that maintenance obligations are treated in the same way as other debts. In 2013/14 the FMEP collected and distributed over $2.6 million dollars in interest to British Columbia families.

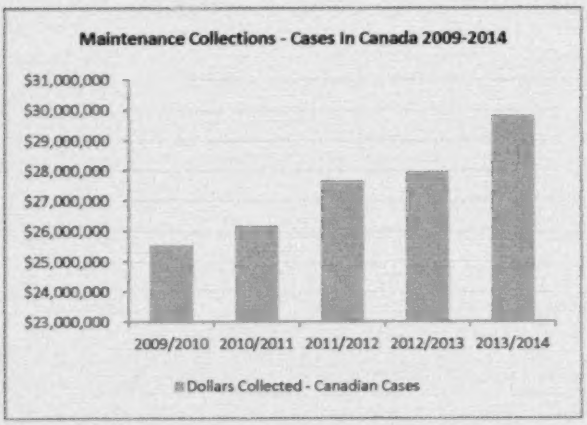
COLLECTIONS ON RECIPROCAL CASES

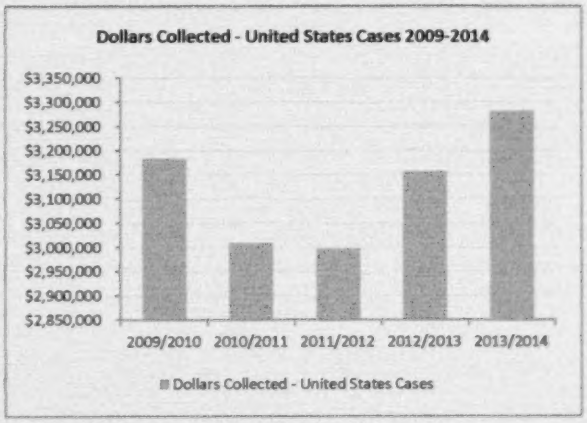
As noted above, reciprocal cases are those cases where one parent resides outside the province of British Columbia. During 2013/14, just under $33.7 million dollars was received on these cases. This was made up of $20.9 million dollars received from other jurisdictions (those cases where the payor lives outside British Columbia and that jurisdiction is collecting funds for a British Columbia family) and $12.7 million dollars was collected by the FMEP for families residing outside of British Columbia.

The FMEP continues to work closely with our domestic and international partners. In Canada, Alberta remains the largest overall partner with British Columbia. Together we share over 4,100 cases – and in 2013/14 $17.4 million dollars was collected on those cases. $5.5 million dollars was collected by BC for Alberta families, and $11.9 million dollars was collected by Alberta for British Columbia families. The reason for the disparity is that there is a much larger caseload of payors living and working in Alberta than payors living and working in British Columbia with families in Alberta.

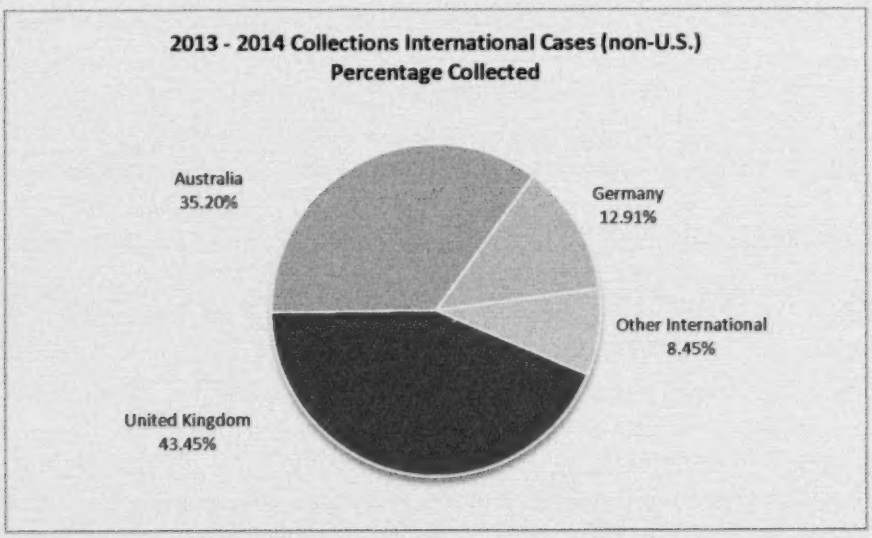
Outside Canada, Washington State continues to be the largest single partner with British Columbia. In 2013/14 FMEP collected and sent over $311,000 to Washington State and they returned $458,000 for British Columbia families.

The pattern of collections, as noted in the charts below, has been fairly strong. Collections with domestic partners have risen in four of the past five years, and collections with the United States have grown over the past two years.





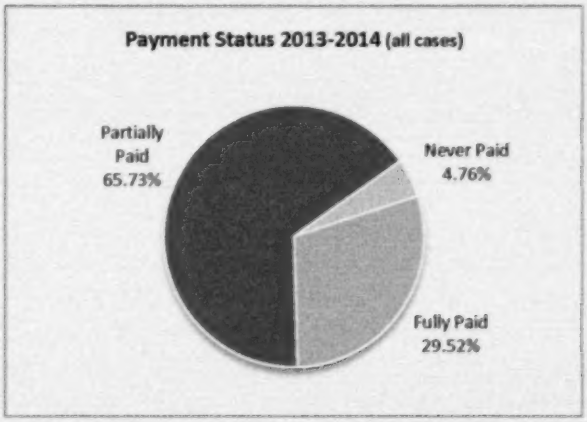
International cases outside the United States make up a very small portion of the FMEP caseload. They numbered just 194 cases as of March 31, 2014. Australia and the United Kingdom make up over 72 percent of the caseload and as a result are almost 79 percent of all funds collected. International cases combined accounted for collections of just over $586,000 in the past year.

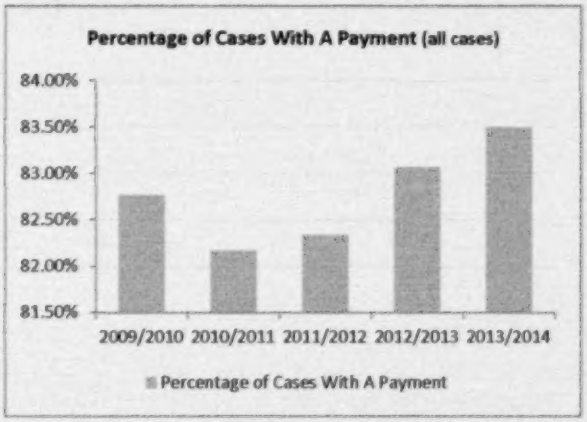


COLLECTION RATES AND ARREARS

A key performance measure for the FMEP, in terms of determining the impact that maintenance collection has on families, is the percentage of enrolled cases that received a payment over the course of the year. For the 2013/14 year, payments were made on 83.5 percent of all cases. This was the third consecutive year of improvement in this measure.

At any point in 2013/14 almost 30 percent of cases were fully paid with no arrears or unpaid maintenance. Almost 66 percent of cases had some arrears and fewer than 5 percent had never received a payment since enrolment.



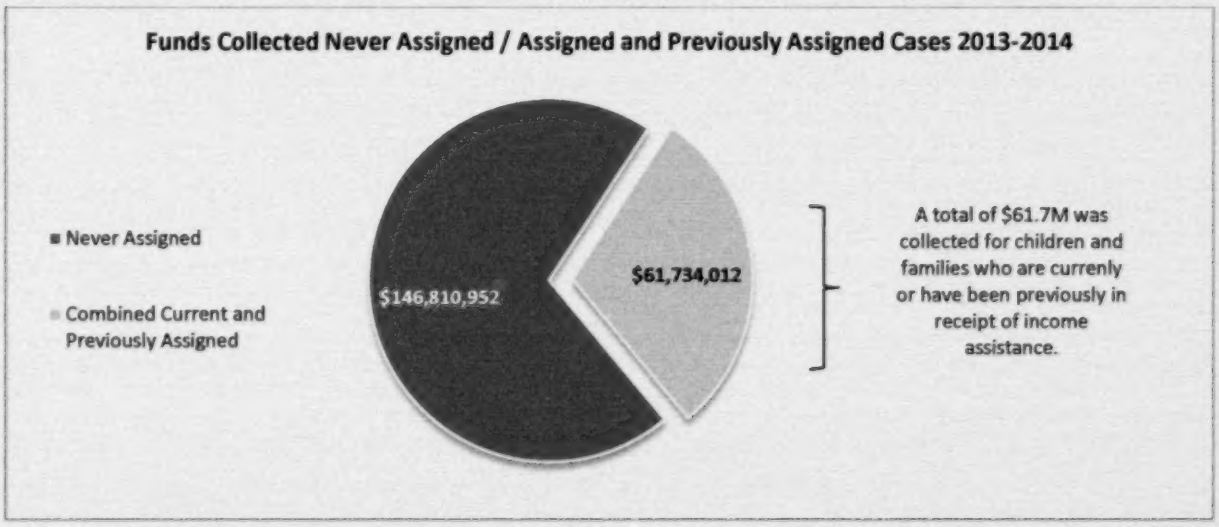


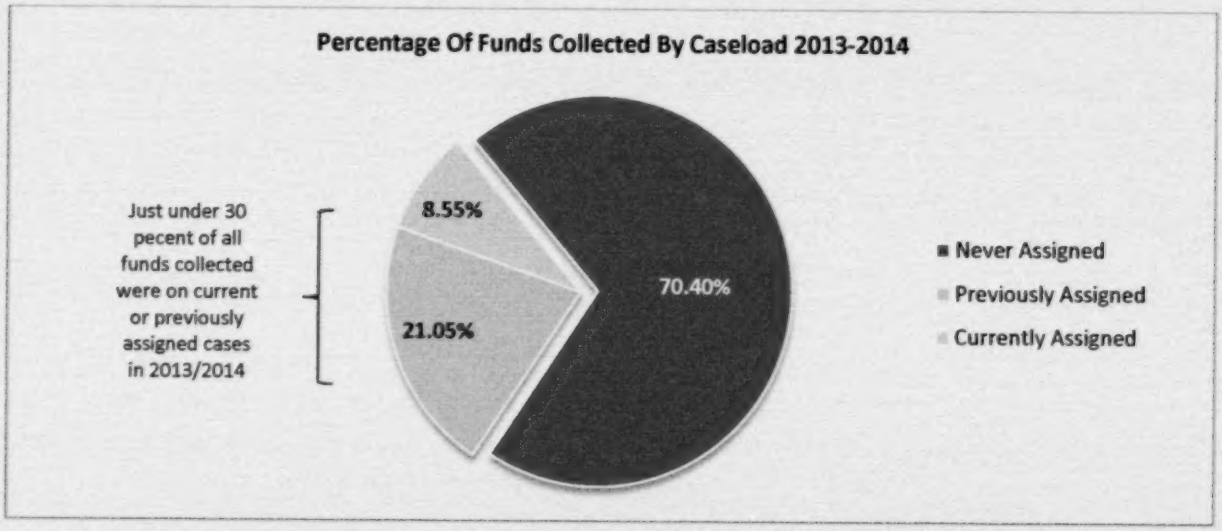
- *Fully Paid* - This means that there are no arrears owing at all.
- *Partially Paid* - This means that some payment has been received since enrolment, but arrears are owing.
- *Never Paid* - This means no money has ever been received on these cases.

PAYMENTS TO CLIENTS NO LONGER IN RECEIPT OF INCOME ASSISTANCE

Clients who remain in the FMEP after ceasing to receive income assistance are an important group of clients as these families often depend significantly on the maintenance in order to remain self-sufficient. Collections for this client group are measured separately. Over $61 million dollars was collected for these families in 2013/14, representing 21 percent of all the funds collected by the FMEP.

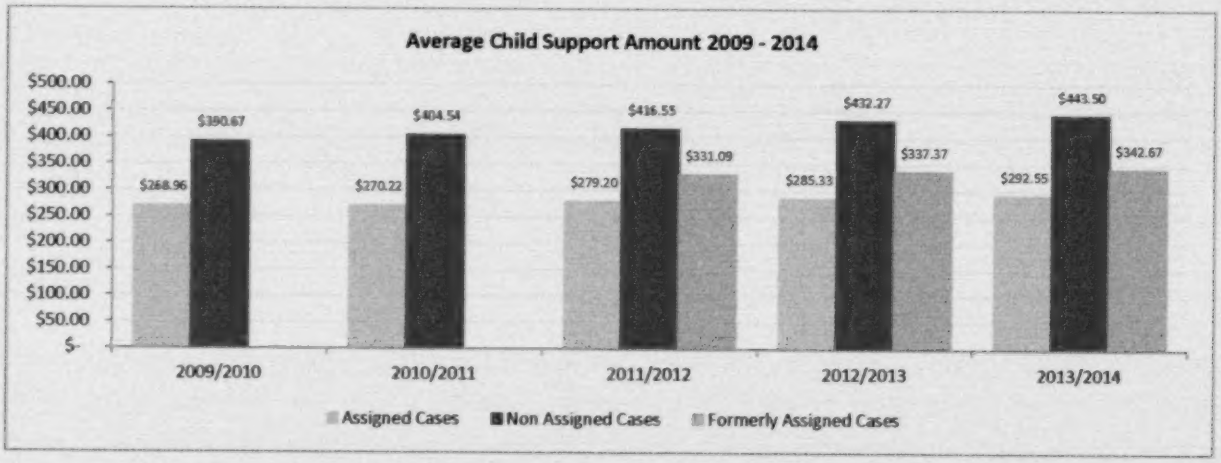
The following two charts show the significant portion of funds collected on behalf of clients who are or have been in receipt of income assistance.


Funds Collected Never Assigned / Assigned and Previously Assigned Cases 2013-2014
Never Assigned
Combined Current and Previously Assigned
$146,810,952
$61,734,012
A total of $61.7M was collected for children and families who are currenly or have been previously in receipt of income assistance.


Percentage Of Funds Collected By Caseload 2013-2014
Just under 30 pecent of all funds collected were on current or previously assigned cases in 2013/2014
8.55%
70.40%
21.05%
Never Assigned
Previously Assigned
Currently Assigned

CHILD SUPPORT ORDERS

The average amount ordered for child support increased again in 2013/14. For clients not in receipt of income assistance, the average amount payable has increased by $53 per month over the last five years. The increase in order size for assigned cases has been less – just $24 increase over the same time period. The gap between the average order amount for assigned cases and non-assigned cases continues to grow, although the gap between non-assigned and previously assigned is smaller.



FEES RECOVERED FOR GOVERNMENT

Under British Columbia law, an annual fee equivalent to one month of maintenance, to a maximum of $400, may be charged to payors who either miss or are late on two payments in a calendar year. These fees are collected after all maintenance owed to the recipient, including interest and arrears, is paid in full.

These fees help to offset the costs of the FMEP and together with funds collected for clients in receipt of income assistance help to ensure that the FMEP is a cost-neutral program for government. In 2013/14 just under $1.6 million dollars was collected. This combined with the $18.1 million dollars collected on assigned cases ensured that the FMEP was cost-neutral for the sixth consecutive year. Collection results for the past five fiscal years are noted in the chart to the right. Since the implementation of the default fee the FMEP has collected just over $17 million dollars in government fees.

Default Fee Collections 2009-2014	
Fiscal Year	Total Collected
2009/2010	$ 1,971,913
2010/2011	$ 1,584,130
2011/2012	$ 1,680,195
2012/2013	$ 1,692,108
2013/2014	$ 1,598,725

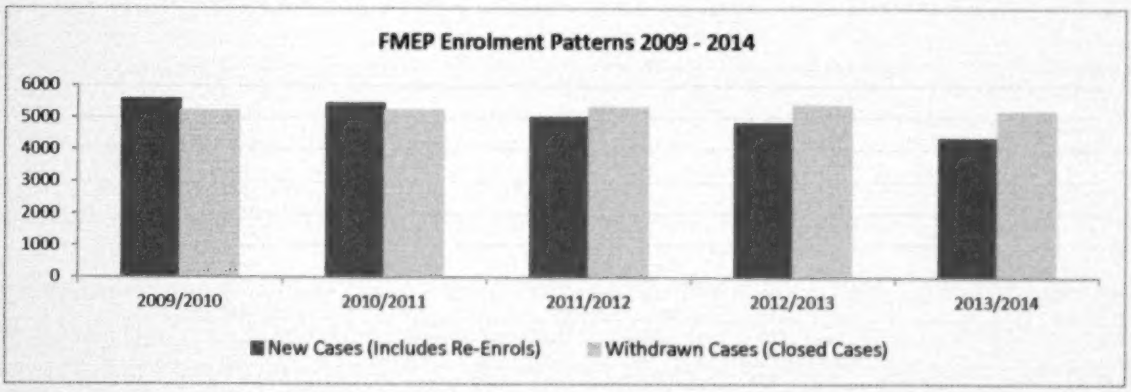
PROGRAM OPERATIONS

The next section discusses the various aspects of FMEP program delivery, providing information concerning file enrolment, payment processing, enforcement activities and client communications.

ENROLMENT

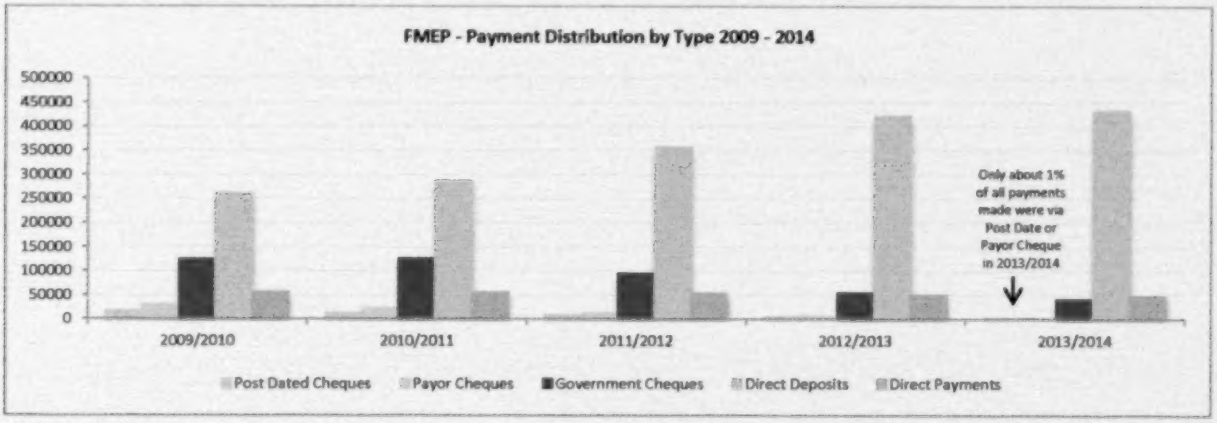
There has been a slight drop in the number of new enrolments over the past five years as shown in the chart below. This combined with an increase in the number of cases withdrawing from the FMEP has led to an overall decline in caseload, as noted above.

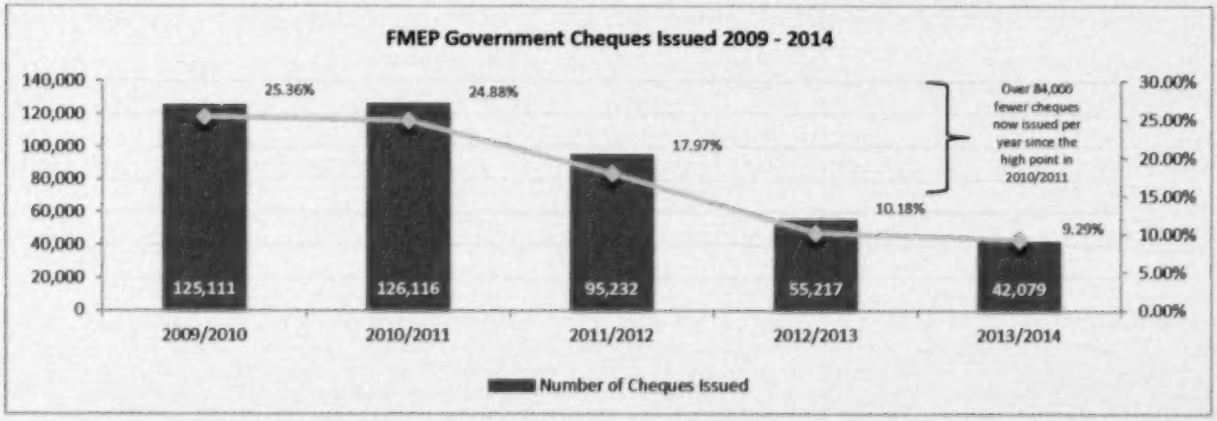
Of more importance to clients has been the very remarkable decline in the time it takes to complete the enrolment process for new cases. Legislative amendments in 2012 removing the requirement for the FMEP to have a certified copy of the maintenance order before enrolling have reduced the backlog of cases awaiting enrolment from over 700 to less than 200. Many cases are now enrolled within two days of the time the package is received at the FMEP office, in contrast to the four month wait for Court orders that was not uncommon in past years.



PAYMENT PROCESSING

The most significant change in payment processing over the past five years has been the move to electronic payments for both the receipt of payments and the disbursement of payments to recipients. Although some payments are still made to recipients by way of government issued cheque, by the end of 2013/14 over 88 percent of recipients were receiving payments through direct deposit to a bank account. The move away from government issued cheques has not only increased efficiencies for the FMEP but has also enabled recipients to get their maintenance more quickly and more securely. These two trends are shown in the graphs below.





In addition to the significant increase in the disbursement of funds electronically by the FMEP, there has been a significant increase in the number of payments made by payors through internet banking. More than one-third of all funds received by the FMEP in 2013/14 were made by payors using internet banking.

ENFORCEMENT

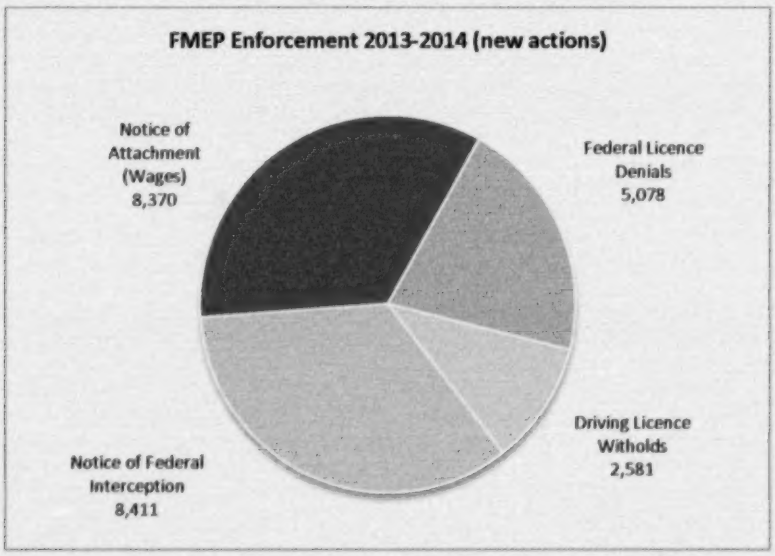
Where maintenance payments are not made voluntarily, the FMEP will issue various types of enforcement to collect the unpaid maintenance. Court enforcement (taking a payor to Court to explain why payments are not being made) is generally only used as a last resort. In most cases the unpaid maintenance can be recovered using non-Court administrative enforcement processes such as the interception of wages or other types of payments, or through the restriction of licenses and privileges, such as a passport denial, or driving license restriction.

ADMINISTRATIVE ENFORCEMENT

The FMEP always attempts to make a voluntary payment arrangement with payors. Negotiation on payment of ongoing maintenance and the arrears is a cornerstone of the client centric focus of the FMEP. However, where payments are not made, the FMEP will initiate administrative enforcement actions, as necessary, to gain compliance.

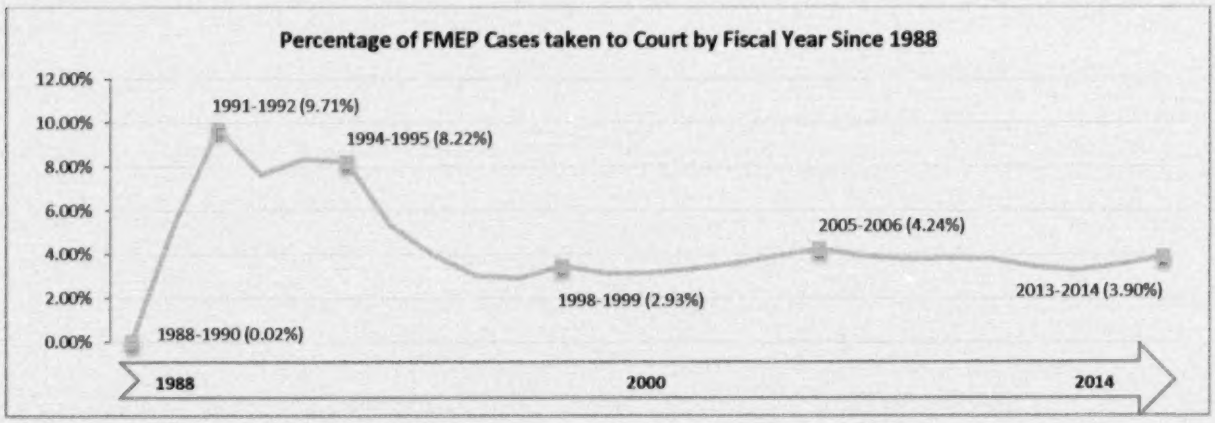
In 2013/14 over 72,000 new administrative enforcement actions were initiated by FMEP Enforcement Officers. This included over 8,300 wage garnishments, almost 2,500 bank garnishments per month, 8,400 federal interceptions, 5,000 passport/federal license denials, and almost 2,600 driver's license restrictions.

The most common enforcement actions are shown in the chart below.


FMEP Enforcement 2013-2014 (new actions)
Notice of Attachment (Wages) 8,370
Federal Licence Denials 5,078
Driving Licence Witholds 2,581
Notice of Federal Interception 8,411

COURT ENFORCEMENT

Where administrative enforcement does not result in full payment of the outstanding maintenance, and the FMEP believes that the payor does have the capacity to pay the maintenance, the FMEP may initiate a hearing with a British Columbia court to require a payor to explain why he or she has not paid the amount required under the maintenance order. This action is not taken very frequently. In 2013/14 only 4 percent of cases were taken to Court. This was a slight increase of a half percent over the previous year. As noted in the chart below, the overall percentage of cases taken to Court has remained relatively stable since the late 1990s, at between three and four percent of all cases.



CLIENT SERVICE AND COMMUNICATIONS

The FMEP maintains the highest levels of customer service and communications. The Program has established several key metrics to monitor this, and has developed both electronic and in person services to communicate with clients. The FMEP operates three call centers, an automated telephony service InfoLine, a full service website and an outreach program. These services combine to ensure that the FMEP provides efficient, professional and cost effective services to all clients. These services are reviewed annually, and enhanced as necessary to ensure that client needs are being met.

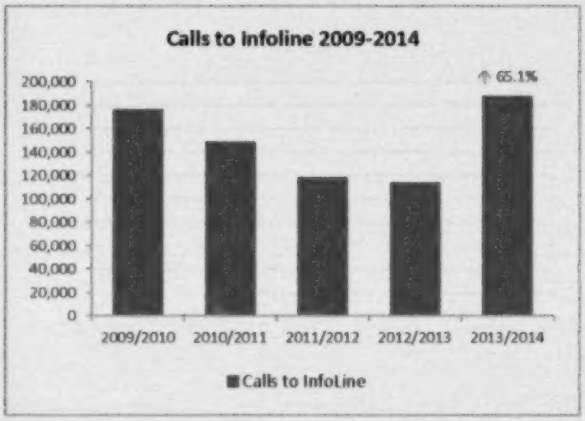
INFOLINE

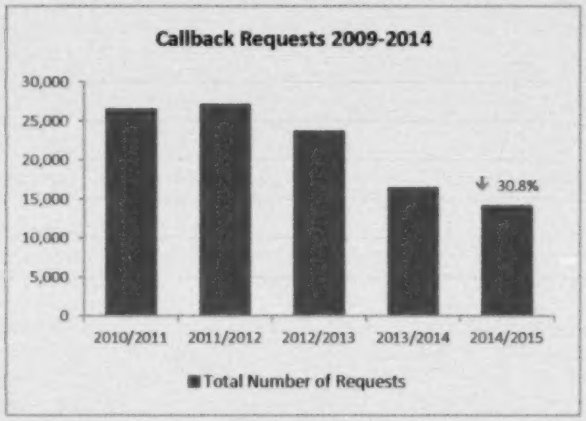
The FMEP InfoLine is an automated telephone service that provides clients with up to date case and payment information.

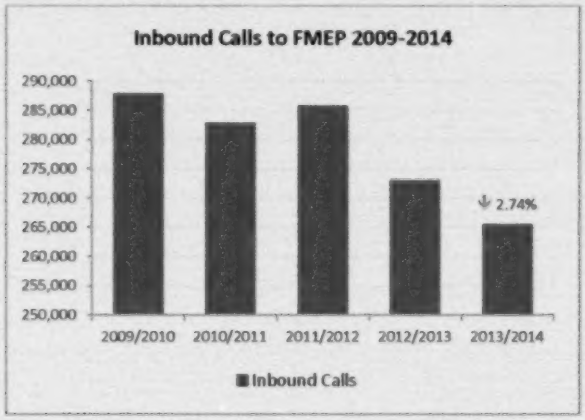
The InfoLine was updated in 2012/13 with a focus on providing first call resolution and ensuring that the service provided the information that clients wanted and needed. 2013/14 was the first full year that the new InfoLine service was in operation. The results of these changes were dramatic, with a 65 percent increase in callers using the service.

This had a direct impact on the number of calls in to the program, and callback requests from clients – both were down in 2013/14. Overall calls to the call centers were down 3 percent and callback requests dropped 31 percent.

The next three charts show the changes over the past five fiscal years in inbound calls to the FMEP and the InfoLine service.



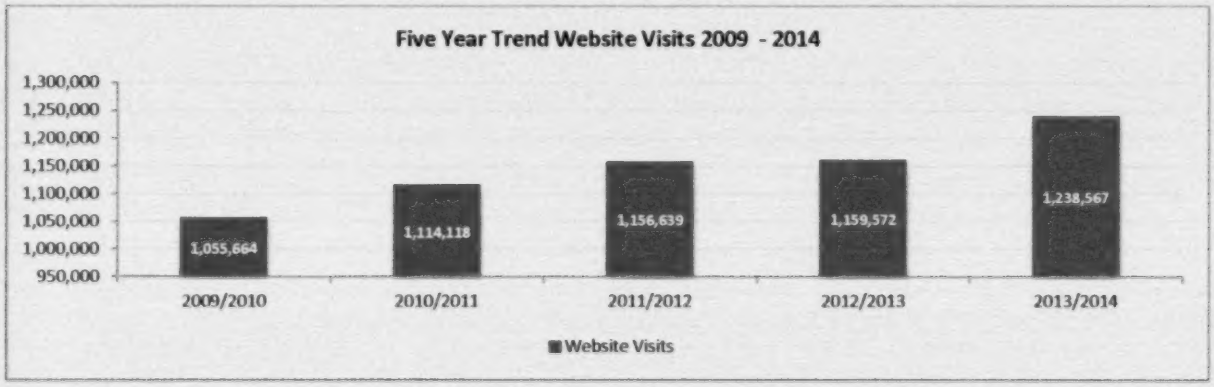




FMEP WEBSITE

In addition to the FMEP InfoLine service the Program operates a full service website (www.fmep.ag.gov.bc.ca) which is an important way for clients to receive up to date information about their case, and to communicate with Program staff.

The FMEP website has consistently had increased traffic in every year of operation; over 1.2 million visits were made to the website in 2013/14. The past five years are shown in the chart below.

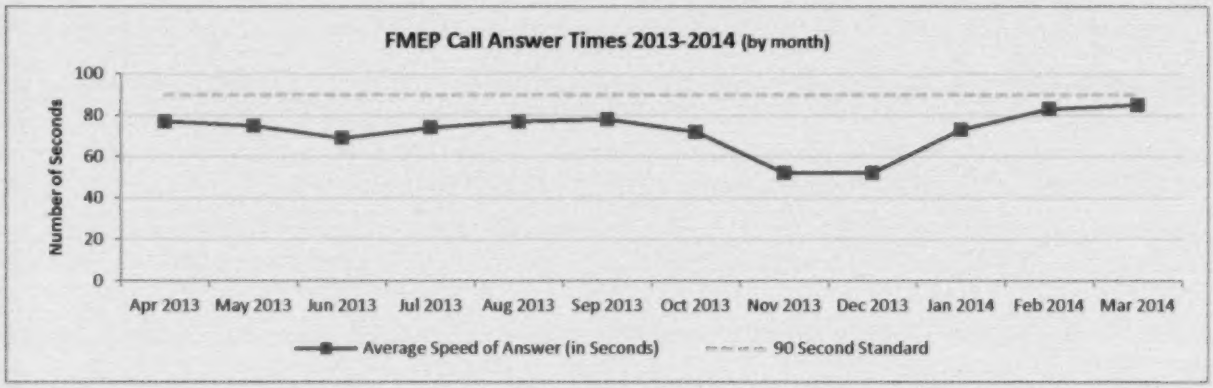


On average almost one quarter of recipients and ten percent of payors use the FMEP website regularly. The FMEP website is currently undergoing a redesign, focused on delivering a user friendly interface for our changing client demographics. This work is expected to be released in the Spring of 2015.

FMEP CALL CENTERS

The FMEP operates three call centers, one in each of the regional offices. Together the three centers handle about 15,000 calls per month.

Prompt, professional and courteous service from the FMEP call centers is a fundamental commitment – and the FMEP has maintained a consistent 90 second call answer time for many years. Last year was no exception, and this service level was achieved each month. Overall call answer times for 2013/14 are shown below.



COMPREHENSIVE CHILD SUPPORT SERVICE (CCSS)

Since 2000 the FMEP has operated an outreach program in conjunction with Family Justice Services. This has provided the opportunity for the two services to work together in assisting mutual clients who need assistance obtaining/changing court orders or repaying their arrears. In addition this service ensures that the FMEP is providing access to all clients, particularly those marginalized populations who require an in-person appointment.

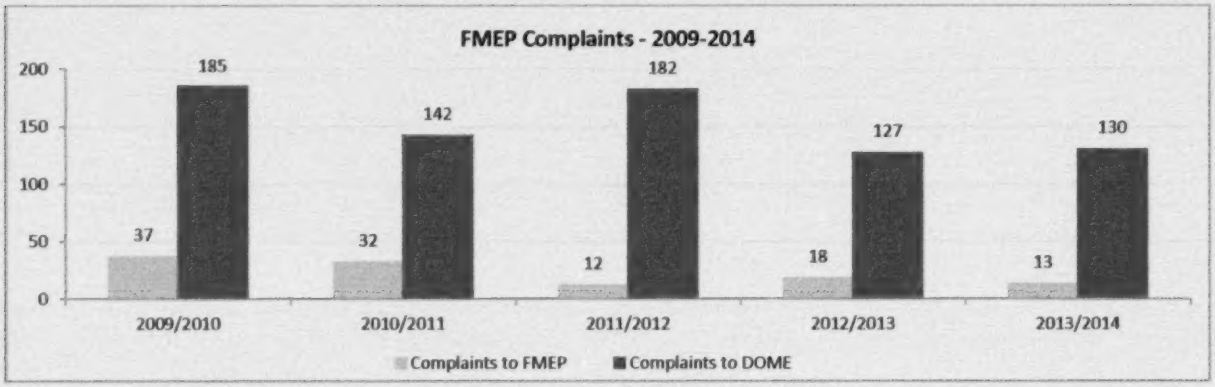
The FMEP operates this service from four main locations – Vancouver, Surrey (West Fraser), Kelowna and Nanaimo.

Over 1,100 clients accessed these services last year, which was an increase of 2.5 percent over the previous year.

Total Changes in Clients since 2011				
	2011/2012	2012/2013	2013/2014	Change From Previous Year
Unique Clients	1,322	1,096	**1,123**	2.50%
# of Contacts	2,647	2,224	**2,272**	2.20%

CLIENT SERVICE AND COMPLAINTS

The FMEP is focused on providing the highest levels of customer service. This translates into very low numbers of complaints. Direct complaints to the FMEP and to the Director of Maintenance Enforcement (MELS) are tracked; the last five fiscal years are noted in the chart below.



Considering the size of the FMEP caseload (43,000 cases), the low number of complaints confirms the strong and effective working relationships that the FMEP has built with its clients.

PROGRAM INITIATIVES

The 2013/14 year saw the start of two critical initiatives for the FMEP. An initiative to completely replace the aging telephone system for the FMEP with a voice-over-internet system was started. This will provide better call management and handling for the call centers while allowing better call flow between offices. In addition, the design and programming of a new FMEP website commenced. The existing website, built in 1998 has outlived its usefulness and the new website will provide a better platform for providing services to employers and interacting with clients more effectively.

STAFF AND PROGRAM COSTS

Operating from three regional offices, Burnaby, Victoria, and Kamloops, the FMEP staffing levels decreased slightly from 205 FTEs to 203. The FMEP collected $18.1 million dollars for families in receipt of social assistance, in addition to collecting just under $1.6 million dollars from default fees to offset program expenses.

The FMEP is a very cost efficient program. The total funding for the FMEP in 2013/14 was $18,458,250 which translates to $11.30 collected for each dollar invested in the Program.

OUTLOOK FOR 2014 – 2015

As the FMEP finishes celebrating 25 years of making a difference to children and families in British Columbia, we look forward to the next year. We expect to see continued growth in collections as the economy in British Columbia and in the rest of Canada improves. Our new phone system and website will enhance the service we provide to clients and help clients get the information and assistance they need without having to contact our offices.

With excellent staff and the continued support of the government, the employer community, and our reciprocal partners, we are confident that the second 25 years of service provided by the FMEP will see the same remarkable success as the first 25 years.

Copies of the *FMEP Annual Report (previous years)*, or *FMEP Monthly Key Indicators* can be obtained by contacting our Research Department via email @ BCFMEP.Research@fmep.ag.gov.bc.ca.